

**ALASKA STATE LEGISLATURE**  
**SENATE TRANSPORTATION STANDING COMMITTEE**

March 23, 2021

1:41 p.m.

**MEMBERS PRESENT**

Senator Robert Myers, Chair  
Senator Mike Shower, Vice Chair  
Senator Peter Micciche  
Senator Jesse Kiehl

**MEMBERS ABSENT**

Senator Click Bishop

**COMMITTEE CALENDAR**

SENATE BILL NO. 74

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of state infrastructure projects, including construction, communications, major maintenance, public safety, and transportation projects; and providing for an effective date."

- MOVED CSSB 74 (TRA) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 74

SHORT TITLE: G.O. BONDS: STATE INFRASTRUCTURE PROJECTS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/05/21	(S)	READ THE FIRST TIME - REFERRALS
02/05/21	(S)	TRA, FIN
02/25/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
02/25/21	(S)	-- MEETING CANCELED --
03/02/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
03/02/21	(S)	Heard & Held
03/02/21	(S)	MINUTE (TRA)
03/09/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
03/09/21	(S)	Heard & Held
03/09/21	(S)	MINUTE (TRA)
03/11/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
03/11/21	(S)	Heard & Held

03/11/21	(S)	MINUTE (TRA)
03/18/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)
03/18/21	(S)	Heard & Held
03/18/21	(S)	MINUTE (TRA)
03/23/21	(S)	TRA AT 1:30 PM BELTZ 105 (TSBldg)

# **WITNESS REGISTER**

No witnesses to report

# **ACTION NARRATIVE**

[1:41:45 PM](#)

**CHAIR ROBERT MYERS** called the Senate Transportation Standing Committee meeting to order at 1:41 p.m. Present at the call to order were Senators Shower, Micciche, Kiehl, and Chair Myers.

## **SB 74-G.O. BONDS: STATE INFRASTRUCTURE PROJECTS**

[1:42:20 PM](#)

CHAIR MYERS announced the consideration of SENATE BILL NO. 74 "An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of state infrastructure projects, including construction, communications, major maintenance, public safety, and transportation projects; and providing for an effective date."

CHAIR MYERS solicited a motion.

[1:42:50 PM](#)

SENATOR SHOWER moved to adopt the committee substitute (CS) for SB 74, [work order 32-GS1716\B]. There being no objection, Version B was adopted as the working document.

[1:43:16 PM](#)

SENATOR KIEHL moved to adopt Amendment 1 to SB 74, Version B, [work order 32-GS1716\B.1].

32-GS1716\B.1  
Marx  
3/20/21

## **AMENDMENT 1**

OFFERED IN THE SENATE

BY SENATOR KIEHL

TO: CSSB 74 (TRA), Draft Version "B"

Page 1, line 10:  
Delete "\$303,797,585"  
Insert "\$190,716,492"

Page 4, line 30:  
Delete "\$145,168,488"  
Insert "\$32,649,988"

Page 5, line 5:  
Delete all material.

Page 5, lines 8 - 13:  
Delete all material.

Page 5, lines 16 - 26:  
Delete all material.

Page 5, lines 29 - 31:  
Delete all material.

Page 6, lines 2 - 4:  
Delete all material.

Page 6, line 22:  
Delete "\$1,511,431"  
Insert "\$948,838"

Page 7, line 12:  
Delete "\$303,797,585"  
Insert "\$190,716,492"

Page 7, line 15:  
Delete "\$303,797,585"  
Insert "\$190,716,492"

[1:43:20 PM](#)

CHAIR MYERS objected for discussion purposes.

[1:43:22 PM](#)

SENATOR KIEHL explained that Amendment 1 would delete the remaining projects in the GO [General Obligation] bond proposal with federal match for [Federal Highway Administration (FHWA)] transportation projects and [Airport Improvement Program (AIP)] airport formula funding.

SENATOR KIEHL stated that the committee previously discussed whether using GO bonding for projects with the federal match was the best way to fund projects since these projects are in the STIP or AIP and will be constructed using those processes. He said he could not recall any instance where the state failed to appropriate the match. Further, using GO bonds will not accelerate the projects. He preferred to replace these projects with ones that will move Alaska's economy forward or address major challenges the state faces. He argued against using GO bonds in this way.

[1:44:56 PM](#)

SENATOR MICCICHE stated that he could support Amendment 1 if the projects had a very high match rate and were limited to highways. He predicted that this bond package was to pass; it would accelerate projects over and above the normal capital budget process. While he said he struggles with the GO Bond concept, some of the projects in SB 74 are critical ones, including the Dalton Highway, bridges at Montana, Sheep, and Goose Creeks, Seward Highway and Sterling Highway, he said. Some of these highways are severely damaged and need public safety improvements and repairs. He said he wished Amendment 1 only pertained to [highway] projects, but it does not. When people seek to reduce the state's budget, they don't envision reducing funds for transportation or public safety but rather for peripheral things the state can no longer afford. Therefore, he could not support Amendment 1.

[1:46:28 PM](#)

SENATOR SHOWER said he echoes Senator Micciche's comments. He stated that he considered offering several amendments but did not do so due to the GO Bond funding source.

CHAIR MYERS removed his objection.

[1:48:06 PM](#)

At ease

[1:48:17 PM](#)

SENATOR KIEHL withdrew Amendment 1.

[1:48:49 PM](#)

SENATOR MICCICHE asked if the committee substitute (CS) for SB 74, Version B, incorporated the committee's amendments but did not make any additional changes.

CHAIR MYERS agreed Version B incorporated only the amendments the committee previously adopted.

1:49:30 PM

SENATOR SHOWER asked the record to reflect that while he supports many of the projects in SB 74, he has a concern about the GO Bond funding mechanism. Many of his constituents have called him about the West Susitna Access Road, which he acknowledged is an important project that will help Alaska's economy grow and provide high-paying, sustainable jobs. However, as previously mentioned, the state has a substantial infrastructure needing repairs. The bond cost will run about \$100 million when the state currently faces a deficit. Last week's testimony demonstrated that many of these projects were already fully funded by other funding sources, including forthcoming federal funds, yet they were included in SB 74.

1:52:24 PM

SENATOR MICCICHE emphasized that he did not support many amendments offered on SB 74, based on the GO Bond funding source. He reiterated that the state's infrastructure needs are critical. His constituents travel on a highway with safety issues. He surmised that when the bond package was initially considered, the administration was unaware of forthcoming federal COVID-19 funding or the federal infrastructure that Congress will likely pass. This federal funding puts the state in a very different position. While the GO Bond proposal would accelerate some regular capital budget projects, likely that savings would not materialize by using bonds, he said. After thoroughly considering the financing process, he offered his preference to only use GO Bonds on projects. He maintained his view that the projects are important ones that will enhance public safety. However, the committee decided that forthcoming federal funding will allow the state to fund these projects without the burden of using GO bonds.

1:55:39 PM

CHAIR MYERS remarked that the legislature uses a slow and deliberative process.

1:56:00 PM

SENATOR SHOWER offered to forward the report highlighting the cost of bonding to the committee. He echoed Senator Micciche's comments that federal funding was not likely known when the administration prepared the bill. He maintained that his concerns were not based on the merits of projects but rather that other funding sources were preferable.

[1:57:22 PM](#)

At ease

[1:57:45 PM](#)

CHAIR MYERS reconvened the committee and solicited a motion.

[1:58:10 PM](#)

SENATOR SHOWER moved to report the committee substitute (CS) for SB 74, work order 32-GS1716\B, as amended, from committee with individual recommendations and forthcoming fiscal note(s).

CHAIR MYERS said Legislative Legal is authorized to make any necessary technical and conforming changes.

[1:58:55 PM](#)

At ease

[2:05:07 PM](#)

CHAIR MYERS reconvened the meeting.

[The committee treated it as though the motion had been rescinded.]

[2:05:18 PM](#)

SENATOR SHOWER stated a revised motion. He moved to report the committee substitute (CS) for SB 74, work order 32-GS1716\B, from committee with individual recommendations and forthcoming revised fiscal note(s).

CHAIR MYERS found no objection and CSSB 74(TRA) was reported from the Senate Transportation Standing Committee.

[2:05:34 PM](#)

At ease

[2:06:50 PM](#)

CHAIR MYERS reconvened the meeting.

[2:07:13 PM](#)

There being no further business to come before the committee, Chair Meyers adjourned the Senate Transportation Standing Committee meeting at 2:07 p.m.